

Message Text

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PAGE 01 BANGKO 04863 241323Z

53

ACTION EA-10

INFO OCT-01 ISO-00 EB-07 ACDA-10 CIAE-00 INR-07 IO-10 L-02

NSAE-00 NSC-05 NRC-07 OES-05 FEAE-00 ERDA-07 /071 W

----- 073005

R 241003Z MAR 75

FM AMEMBASSY BANGKOK

TO SECSTATE WASHDC 1920

USDOC WASHDC

UNCLAS BANGKOK 4863

E.O. 11652: N/A

TAGS: BEXP, TH

SUBJ: NUCLEAR RESEARCH REACTOR CONVERSION, THAILAND

STATE FOR EA/TB KLEMSTINE

COMMERCE FOR MEPD

REF: A. STATE 048860

B. BANGKOK 4002

1. SUMMARY: FULL REPLY TO STATE REFTEL A REQUIRES CLARIFICATION.
END SUMMARY.

2. BACKGROUND: BIDS FOR SUBJECT TENDER ANNOUNCED JANUARY 27,
1975. DEADLINE FOR SUBMISSION OF BIDS REMAINS APRIL 28, 1975,
NOT FEBRUARY 27, PERIOD FOR SALE TENDER DOCUMENTS ENDED FEB.
27, 1975.

3. EMBASSY LEARNED OF BID ANNOUNCEMENT EARLY FEBRUARY AND
REQUESTED EXTENSION TENDER SALE PERIOD (NOT BID SUBMISSION DEAD-
LINE) TO MARCH 27 IN ORDER TO PERMIT POST'S CUSTOMARY TELEGRA-
PHIC REPORT TO COMMERCE TO REACH POTENTIALLY INTERESTED U.S.
FIRMS IN TIME FOR THEM TO OBTAIN TENDER DOCUMENTS AND CONSIDER
BIDDING THIS MAJOR PROJECT.

4. POST WAS UNAWARE OF GENERAL ATOMIC (GA) INVOLVEMENT THIS
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PAGE 02 BANGKO 04863 241323Z

PROJECT, BUT KNEW SHELL CO., LTD. WAS ONLY FIRM (OTHER THAN

LOCAL GOVERNMENT NOTICE PUBLISHER) OBTAINING TENDER DOCUMENTS. ALTHOUGH POST HAS HAD SOME PAST CONTACT WITH GA'S TOKYO-BASED REGIONAL REP., WE WERE NOT AWARE OF SHELL'S AGENT STATUS. NEITHER SHELL NOR GA HAS EVER ATTEMPTED CONTACT US ON THIS PROJECT.

5. GA'S UNIQUE ABILITY AMONG U.S. FIRMS TO BID SUBJECT TENDER ALSO NOT PREVIOUSLY KNOWN TO US, NOR APPARENTLY TO OFFICE OF ATOMIC ENERGY FOR PEACE (AEP), WHOSE DEPUTY SECRETARY GENERAL HAS SINCE STATED THAT HE HAD COMMUNICATED WITH OTHER U.S. FIRMS ON THIS PROJECT, BUT APPARENTLY WAS UNABLE TO INTEREST THEM.

6. MR. SARISDIGUNA KITTIYAKARA PROVIDED INFORMATION IN FOLLOWING PARAGRAPH 7 WITH UNDERSTANDING IT WOULD BE TREATED CONFIDENTIALLY. EMBASSY TRUSTS STATE AND COMMERCE WILL NOT USE IT IN WAY WHICH MIGHT INJURE OR EMBARRASS HIM.

7. SARISDIGUNA STATED BASICALLY: (A) HE DID NOT BELIEVE GA'S SALES OPPORTUNITY IS IN JEOPARDY; (B) HE DID NOT THINK OTHER U.S. FIRMS WOULD BE BIDDING THIS PROJECT; (C) GA HAS NOT ACTUALLY BID ON REACTOR CONVERSION. HE HAD HOPED THAT ON EXPIRATION OF ORIGINAL TENDER SALE PERIOD FEBRUARY 27, GA, AS ONLY FIRM SHOWING INTEREST, WOULD BE ABLE TO NEGOTIATE INFORMAL DEAL ON PROJECT WITHOUT NECESSITY FORMAL BID. EXTENSION TENDER SALE WOULD DELAY THIS POSSIBILITY, PERHAPS TO APRIL 28 WITH EXPENSE OF FORMAL BID INCURRED. ALSO, INFLATIONARY INCREASES IN PROJECT PRICE MIGHT FORCE AEP TO SEEK ADDITIONAL BUDGET APPROPRIATION, CAUSING FURTHER DELAY. SARISDIGUNA WAS FAMILIAR WITH SITUATION, IN FACT, HAD COMPANY TELEX WHICH QUOTED PORTIONS OF STATE 048860.

8. CONSIDERING UNUSUAL SITUATION, EMBASSY HAS WITHDRAWN REQUEST FOR TENDER SALES EXTENSION AND INFORMED SARISDIGUNA ACCORDINGLY.

9. COMMENT: POST EXPENDS CONSIDERABLE EFFORT REPORTING THAI GOVERNMENT TENDERS ON THEORY THAT U.S. FIRMS ARE THEREBY GIVEN CHANCE TO PARTICIPATE EFFECTIVELY IN BIDDING. POST BELIEVES (CONCURRING WITH A-1168, FEBRUARY 11, 1974, WHICH STATES THAT COMMERCE REQUIRES 45-DAY LEAD TIME FOR GOVERNMENT TENDERS) UNCLASSIFIED

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PAGE 03 BANGKO 04863 241323Z

THAT SHORT BID DEADLINES HINDER U.S. FIRMS. FORTUNATELY, THERE IS NO RTG POLICY LIMITING BID DEADLINE TO 30 DAYS. IN MOST CASES, AT LEAST 60 DAYS ARE ALLOWED. NOR IS THERE RTG POLICY RESTRICTING TENDER SALES TO 30 DAYS FROM BID ANNOUNCEMENT. SOME INDIVIDUAL PROCUREMENT AGENCIES, HOWEVER, DO HAVE 30-DAY SALES POLICY, AS FOR EXAMPLE TELEPHONE ORGANIZATION OF THAILAND (BANGKOK 4130).

10 POST BELIEVES, BASED ON INFORMATION FROM FIRMS AND COMMERCE, THAT 30-DAY TENDER SALES PERIODS REDUCE OPPORTUNITY OF U.S. FIRMS WITHOUT LOCAL AGENTS TO PARTICIPATE EFFECTIVELY IN BIDDING, AND THAT, DESPITE CIRCUMSTANCES PECULIAR TO THIS CASE, WE SHOULD CONTINUE TO ENCOURAGE THAI PROCUREMENT AGENCIES, AS MATTER OF POLICY, TO EXTEND SALES PERIOD TO AT LEAST 60 DAYS. DEPARTMENTS' COMMENTS WOULD BE WELCOMED.

11. POST FINDS IT VALUABLE TO BE INFORMED AT EARLY STAGE OF U.S. COMPANIES' INTEREST IN MAJOR PROJECTS, SO THAT ASSISTANCE CAN BE RENDERED.
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